



6. Nonetheless, for the reasons described below, some additional time is required to effectuate and finalize the settlement.

7. Because the nature of the settlement that requires a payment via three equal annual installments pursuant to 62 Okla. Stat. § 365.5, the Parties are required to memorialize the settlement in the form of a Journal Entry of Judgment upon Agreed Settlement, to be prepared by the Parties and approved by the Court.

8. The total settlement amount agreed to by the Parties is \$3.2 million.

9. Under the terms agreed to by the Parties, a portion of that total settlement amount will be paid by the Association of County Commissioners of Oklahoma Self-Insured Group (“ACCO-SIG”) under a certain Liability Coverage Agreement (“Coverage Agreement”). ACCO-SIG has agreed to pay the balance under the Coverage Agreement. However, the ACCO-SIG Liability Coverage Agreement is a “reducing” agreement. In other words, the limit available to Plaintiff -- under the Coverage Agreement -- is reduced by the attorney fees, costs and expenses incurred by Defendant.

10. Defendant reports that at this time, the final precise amount of the reducing limit - - under the Coverage Agreement -- is unknown due to outstanding and incomplete billing. Once the outstanding billing is complete, an accounting will be done, and the exact amount that ACCO-SIG will pay toward the settlement will be finalized.

11. Also, under the terms agreed to by the Parties, Atoka County, through the Board of County Commissioners, will pay the remainder of the total settlement amount exceeding the final policy limit sum to be paid by ACCO-SIG. This portion of the settlement is to be reduced to an agreed judgment and paid by Atoka County in accordance with the procedure set out in 62 Okla. Stat. § 365.5. However, until the final sum to be paid by ACCO-SIG -- under the Coverage Agreement -- is known, the precise remaining amount of the settlement to be paid by Atoka

County -- pursuant to 62 Okla. Stat. § 365.5 -- is also unknown.

12. Defendant believes that the preparation and receipt of bills and invoices -- and the subsequent accounting -- needed to determine the final and exact amounts of the settlement total to be paid by ACCO-SIG and Atoka County, respectively, will take no more than thirty (30) days.

13. Thus, the Parties will be prepared to submit an Agreed Judgment, as described herein, to the Court within next thirty (30) days.

Respectfully submitted,

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